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C O N F I D E N T I A L SECTION 01 OF 02 COLOMBO 001214

SIPDIS

DEPARTMENT FOR SA, SA/INS; NSC FOR E. MILLARD

E.O. 12958: DECL: 07-11-13

TAGS: [PREL](#) [PGOV](#) [ETRD](#) [EINV](#) [CE](#) [I2](#) [IN](#)

SUBJECT: Mission requests status of Iraqi Mission in Sri Lanka

Refs: Colombo 1093 (Notal)

(U) Classified by Donald Camp, Charge d'Affaires.
Reasons 1.5 (b,d).

1. This is an Action Request. Please see Para 6.

2. (C) SUMMARY: During a July 9 meeting with Charge, MFA Acting Foreign Secretary (and former DCM at the Sri Lankan Mission in Washington) JDA Wijewardena expressed concern that the Coalition Provisional Authority (CPA) in Baghdad was planning to close the Iraqi Mission in Sri Lanka. Wijewardena also provided a Charge with an aide memoire outlining the GSL position, based on economic and trade interests, that the Iraqi Mission here not be closed. Mission requests information on the status of the Iraqi Mission in Sri Lanka. END SUMMARY.

3. (C) INCOMPLETE INFORMATION: The MFA was not fully informed re the closing of the Iraqi Mission. When queried on the specifics, Wijewardena could not reliably attribute the information that the Mission would be closed. He thought that perhaps the Iraqi Mission itself had mentioned something, but admitted the MFA had not received any formal notification. Charge responded that our Embassy had not received anything specific from Washington re the Iraqi Mission here. The MFA knew that the Iraqi Charge had been summoned back to Baghdad some weeks ago, but, during the meeting, confirmed that the Iraqi Charge had returned and was currently in Sri Lanka.

4. (C) (Note: As reported in Ref A, upon his return to Sri Lanka, Iraqi Charge Wajdi Mardan Abbas told us on June 20, that Ambassador Bremer mentioned plans to close 32 of the 64 current Iraqi missions. Abbas did not state whether the Iraqi Mission in Sri Lanka was one designated for closure, instead he complained that the decision should be an "Iraqi Government" one.)

5. (C) ECONOMIC INTERESTS: As detailed in the aide memoire, Sri Lanka has maintained a long trade relationship with Iraq. Under the the UN's Oil for Food program, Sri Lanka continued supplying significant quantities of tea to the country. The GSL is anxious that this trade relationship be maintained and feels that the presence of an Iraqi Mission in Colombo is vital. The full text of the aide memoire is provided below.

BEGIN TEXT

AIDE MEMOIR

Sri Lanka and Iraq have over the years been maintaining close and cordial relations. In fact, Iraq was one of the first Arab countries with which Sri Lanka established Diplomatic relations. Diplomatic relations with Iraq was established in the late 50s and a Mission to Baghdad was established in 1962 with concurrent accreditation from Karachi, the then capital of Pakistan.

The relations between the two countries were further consolidated within the Non-Alignment Movement and the Group of 77.

Even after the Gulf war in 1991, Sri Lanka was one of the few countries that continued to maintain its Embassy at ambassadorial level throughout the critical period and thereafter.

Iraq has been a very important trading partner for Sri Lanka as tea which is one of our main export commodities has been holding a market share of around 70% in the Iraqi market. The annual average tea export to pre-Gulf war, Iraq has been around 30,000 Metric Tons. (Please see Table 1).

After the Gulf war, under the UN Oil For Food Programme, we have been exporting around 12,000 Metric Tons offer

which is about 20% of the Iraqi requirements. Sri Lanka had also in the pre-Gulf war period purchased from time to time, oil at concessionary rates. Besides Tea, commodities such as natural rubber, rubber based products--particularly tyres--are products that could be exported to Iraq. The trade balance with Iraq has continuously been in favour of Sri Lanka except a 4 year period immediately after 1991 war. (Table 2).

As Iraq has traditionally been a main buyer of Sri Lanka tea, and as the Iraq consumer has cultivated a taste for black orthodox tea from Sri Lanka, it is envisaged that Sri Lanka could work towards increasing tea exports to a substantial amount.

The re-construction of Iraq offers a vast potential in the area of the construction industry. Over the last decade the number of Sri Lankan expatriates in Iraq was marginal. However, given our expertise in the areas of skilled and unskilled labour in the Arab world it is envisaged that Sri Lanka could look for opportunities for employment for Sri Lankan labour in Iraq once the re-construction activities are in place.

Given the Sri Lankan experience in nation building amidst a conflict situation, the Sri Lanka Government could also enter into collaborative arrangements with Iraq on identified projects.

It is therefore important that the Iraqi Mission be maintained in Colombo so that links especially in the areas of trade and economic cooperation would be strengthened for the mutual benefit of the two countries.

(Dated July 9, 2003)

END TEXT

16. (C) ACTION REQUEST: Mission requests that Washington provide a status update as to the Iraqi Mission in Sri Lanka. The GSL is concerned that the Mission will be closed, to the detriment of a long-standing Sri Lankan trade relationship with Iraq and Post would like to be responsive in addressing the GSL's request for information. END REQUEST.

17. (U) Minimize considered.

CAMP